



1st October 2012

Dr. Abdul Hafeez Shaikh,
Minister of Finance,
Government of Pakistan,
Islamabad.

Sub: Serious Complaint against alleged illegal appointment of a non Pakistani Mr. Azhar
Abbas Jaffery as Managing Director of HBFC and financial irregularities
Reminder No 1

Dear Sir,

Transparency International Pakistan on 23 April 2012 had sent you a Serious Complaint against alleged illegal appointment of Mr. Azhar Abbas Jaffery as Managing Director of HBFC who does not have Pakistani Nationality, and allegations on his financial irregularities, but no reply/clarification was given by MoF.

Recently, copies of two letters issued to HBFC Secretary and Managing Director, by Ministry of Finance dated 15th August 2012, and 14th September 2012.9 (**Annex-A and Annex-B**).

I) Continuation of Mr. Jaffri as Managing Director, HBFCL after completion of his three year term on January 05, 2012 is questionable in the eye of law. The matter is also in the Court of Law (Islamabad High Court).

II) The terms and conditions of his appointment as Managing Director for three years will not automatically apply for the period beyond completion of his three years term i.e January 05, 2012.

and,

- I. HBFCL Board of Directors and its Sub-Committee are non-existent.*
- II. Three Years tenure of MD, HBFCL already expired in January 2012 which has not been extended and*
- III. Due to Singaporean Nationality, the appointment of the sitting MD, HBFCL has become controversial at different fora.*

It seems that the Ministry of Finance has after 4 months realised that the appointment of Mr. Azhar Abbas Jaffery was in fact illegal, and his continuation as Managing Director of HBFC is also illegal.

In the changed scenario, Transparency International Pakistan request the Minister to find out why the State Bank of Pakistan and the Securities & Exchange Commission of Pakistan remained silent, as no inquiry was needed due to the fact that Banks Nationalization Act clearly says that non-Pakistani is not entitled to be appointed.

Transparency International Pakistan has also checked up with Chairman NADRA, and NADRA has confirmed that Pakistan Origin Cards are only issue to those Pakistanis who are not Pakistan Citizens but are of Pakistani Origin. And the allegation of posing himself as a



Pakistani citizen in 2009 with valid NIC No. 42301-647193-1, Mr. Azhar Abbas Jaffery, if true then he has committed a fraud (**Annex-C**).

This is also to inform the Minister that the Supreme Court of Pakistan in the Constitution Petition No.05/2012 on dual nationality of parliamentarians, while announcing the Judgment on 20 September 2012 disqualifying those who acquired dual nationality, has also said that the members of Parliament/Provincial Assemblies noted hereinabove, being disqualified persons are directed to refund all monetary benefits drawn by them for the period during which they occupied the public office and had drawn their emoluments etc. from the public exchequer including monthly remunerations, TA/DA, facilities of accommodation along with other perks which shall be calculated in terms of money by the Secretaries of the Senate, National Assembly and Provincial Assemblies accordingly.

Transparency International Pakistan request the Minister to please examine the allegations, and if they are correct, appropriate action needs to be taken urgently to declare the appointment as illegal, and proceed with appointment of a new Managing Director. And also direct Mr. Azhar Abbas Jaffery to refund all monetary benefits drawn by them for the period during which they occupied the public office and had drawn their emoluments, etc. from the public exchequer including monthly remunerations, bonuses, TA/DA, facilities of accommodation along with other perks.

With regards,

Syed Adil Gilani,
Adviser,

Copies forwarded for the information of;

Encl: MoF letters and Form 28 signed by Mr Jaffery.

1. Chairman, Public Accounts Committee, Islamabad.
2. Governor, State Bank of Pakistan, Karachi,
3. Chairman, NAB, Islamabad,
4. Registrar, Supreme Court of Pakistan, Islamabad
5. Chairman, SECP, Islamabad,

FAX

No.6(4)IF-II/2009⁵
Government of Pakistan
Finance Division
(Internal Finance Wing)

Islamabad, August 15, 2012

✓ The Company Secretary,
HBFCL, Karachi.

Subject: - CLARIFICATIONS ON CONTINUATION OF MR. AZHAR ABBAS JAFFRI AS MANAGING DIRECTOR. HBFCL.

Dear Sir,

Following clarifications on the subject matter may be noted :-

- I) Continuation of Mr. Jaffri as Managing Director, HBFCL after completion of his three year term on January 05, 2012 is questionable in the eye of law. The matter is also in the Court of Law (Islamabad High Court)
- II) The terms and conditions of his appointment as Managing Director for three years will not automatically apply for the period beyond completion of his three years term i.e. January 05, 2012.

2. All other relevant offices within HBFCL may be informed accordingly.

3. Receipt of this letter may be acknowledged.

Yours faithfully


(Ghulam Farooq)
Section officer

Co. Secy.

522 / MD
15/08/12

527 / MD
23/08/12

12 55
50 12-07

Immediate
By Fax

No.F.6 (1)-IF.II/2012-
Government of Pakistan
Finance Division
(Internal Finance Wing)

Islamabad, the 14th September, 2012


✓ The Managing Director,
House Building Finance Corporation Limited,
Karachi.

Subject:- AFFAIRS OF HBFCL - COURT CASE ETC

Managing Director, Housing Building Finance Corporation Limited is advised not to take any major policy (administrative and financial) decision in the Company due to the following reasons:-

- i) HBFCL Board of Directors and its Sub-Committee are non-existent,
- ii) Three years tenure of MD, HBFCL already expired in January 2012 which has not been extended; and
- iii) Due to Singaporean nationality, the appointment of the sitting MD, HBFCL has become controversial at different fora.

2. Receipt of this letter may please be acknowledged through return fax.


(Mazhar-ul-Hassan Shah)
Deputy Secretary (IF)

Copy to:

- i. PSO to Deputy Governor, SBP, Karachi
- ii. Company Secretary, HBFCL, Karachi
- iii. Group Head (HR), HBFCL, Karachi
- iv. Group Head (CFO), HBFCL, Karachi


THE COMPANIES ORDINANCE, 1984
[Section 184]

CONSENT TO ACT AS DIRECTOR/CHIEF EXECUTIVE


Please complete in typescript or in bold block capitals.

1. Incorporation Number K-012910
2. Name of the Company HOUSE BUILDING FINANCE CORPORATION LIMITED
3. Fee Paid (Rs.) 2 | 0 | 0/- Name & Branch of The Bank HBL FFC Corporate Branch Karachi
4. Receipt No. Date 20 ^{Day} 01 ^{Month} 2009 ^{Year}
(Bank challan to be attached in original)

5. I/we, the undersigned, have consented to act as Director(s) Chief Executive of the above named company pursuant to section 184 of the Companies Ordinance 1984, and certify that I / We am / are not ineligible to become Director(s) / Chief Executive under section 187 or 190 of the Companies Ordinance, 1984.

Name in full	Father's / husband's Name	Address	Occupation	NIC No or passport No. in case of Foreign National	Signature
Syed Azhar Abbas Jaffri	Syed Qamar Abbas Jaffri	H. No. 34/11 9 th Street Khayaban-e-Hilal Phase-6 DHA Karachi	Managing Director/Chief Executive Officer	42301-647193-1	

6. Signature

X 

7. Name of Signatory

Syed Azhar Abbas Jaffri

8. Designation

Managing Director/Chief Executive Officer

9. NIC Number

42301-647193-1

10. Date

2 | 0 ^{Day} 0 | 1 ^{Month} 2 | 0 | 0 | 9 ^{Year}